

**BEFORE THE
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

Notice of Inquiry Into the)	D.T.E. 98-32
Unbundling of Natural Gas)	
Local Distribution Companies')	
Services)	

INITIAL COMMENTS OF IMPERIAL OIL RESOURCES

Pursuant to the April 3, 1998 order and the April 17, 1998 extension in the above-referenced proceeding, Imperial Oil Resources ("Imperial") hereby submits its initial comments in the referenced matter.

I.

COMMUNICATIONS

Imperial requests that correspondence and communications with respect to this matter be addressed to the following individuals:

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II.

COMMENTS

Imperial has previously appeared and participated before the Department of Telecommunications and Energy ("D.T.E." or "Department") in the D.P.U. 96-50 proceeding involving Boston Gas Company's ("Boston Gas") proposal to unbundle its services and exit the merchant function. In that proceeding, Imperial sought to insure that Boston Gas' obligations under its long-term gas purchase contract with Imperial would either be retained by Boston Gas or assigned to a party deemed acceptable by Imperial. The Department has since issued an order in D.P.U./D.T.E. 97-104 on December 19, 1997 approving an amended contract executed between Boston Gas and Imperial. Imperial submits that the ultimate outcome in this case must also recognize this long-term gas supply arrangement.

While Imperial does not intend to actively participate in the hearings in this proceeding, Imperial reserves the right to comment upon any settlement reached as a result of this Notice of Inquiry, to participate in any rulemaking that stems from the Notice of Inquiry, and to otherwise participate in any D.T.E. proceedings in which its existing contract with Boston Gas may be affected.

Respectfully submitted,

IMPERIAL OIL RESOURCES INC.

By:

Williams A. Williams
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April 30, 1998

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all parties of record in this proceeding in accordance with 220 CMR 105.1.

Dated at Washington, D.C., this 30th day of April, 1998.

William A. Williams
Counsel for Imperial Oil Resources